

Mike Fido  
cc Wayne & JB  
Juwel

LAW OFFICES OF  
VAN COTT, BAGLEY, CORNWALL & MCCARTHY

A PROFESSIONAL CORPORATION

SUITE 1600

50 SOUTH MAIN STREET

SALT LAKE CITY, UTAH 84144

TELEPHONE (801) 532-3333

TELEX 453149

TELECOPIER (801) 534-0058

ADDRESS ALL CORRESPONDENCE TO

POST OFFICE BOX 45340

84145

WRITER'S DIRECT DIAL NUMBER

BENNETT, HARKNESS & KIRKPATRICK  
1874-1890

BENNETT, MARSHALL & BRADLEY  
1890-1896

BENNETT, HARKNESS, HOWAT  
SUTHERLAND & VAN COTT  
1896-1902

SUTHERLAND, VAN COTT & ALLISON  
1902-1907

VAN COTT, ALLISON & RITER  
1907-1917

VAN COTT, RITER & FARNSWORTH  
1917-1947

OGDEN OFFICE  
SUITE 900

2404 WASHINGTON BOULEVARD  
OGDEN, UTAH 84401  
(801) 394-5783

OF COUNSEL

CLIFFORD L. ASHTON  
DALE T. BROWNING  
JOHN CRAWFORD, JR.  
WILLIAM G. FOWLER  
MARLIN K. JENSEN  
GEORGE M. MCILLIAN  
THOMAS L. MONSON  
MICHAEL F. RICHMAN

LEONARD J. LEWIS  
DAVID E. SALISBURY  
M. SCOTT WOODLAND  
NORMAN S. JOHNSON  
DAVID L. GILLETTE  
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STEPHEN D. SWINDLE  
ROBERT D. MERRILL  
GREGORY P. WILLIAMS  
ALAN F. MECHAM  
BRENT J. GIAUQUE  
E. SCOTT SAVAGE  
CHRIS WANGSGARD  
JOHN S. KIRKHAM  
KENNETH W. YEATES  
RAND L. COOK  
JOHN A. SNOW  
DAVID A. GREENWOOD  
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MICHAEL J. GLASMANN

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ROBERT B. LENCE  
MATTHEW F. McNULTY, III  
S. ROBERT BRADLEY  
JON C. CHRISTIANSEN  
GUY P. KROESCHE  
JOHN A. ANDERSON  
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CASEY K. MCGARVEY  
KATHRYN DEAN KENDELL  
DOUGLAS A. TAGGART  
JEREMY M. HOFFMAN  
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BRYON J. BEVENUTO  
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RECEIVED  
October 17, 1990

DIVISION OF  
OIL, GAS & MINING

HAND DELIVERED

Mr. Lowell P. Braxton  
Associate Director, Mining  
Utah Division of Oil, Gas  
and Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

M/043/004

Re: Utelite Reclamation Contract

Dear Lowell:

I am responding to your recent letter requesting that Utelite execute a Form MR-RC Reclamation Contract in addition to the Self Bonding and Indemnity Agreement that it previously negotiated and executed with the Board and Division for conducting its aggregate operation in Summit County, Utah. Many of the provisions in the form Reclamation Contract were included in the Self Bonding and Indemnity Agreement. We were under the impression after negotiating the Self Bonding and Indemnity Agreement that there would be no further contracts to be negotiated with the Division concerning this matter. As an example of the duplication, we are being asked to indemnify the State and Board under the Self Bonding and Indemnity and also to do it again under the Reclamation Contract. In short, we feel the Reclamation Contract is redundant and unnecessary.

We understand, however, that you normally require a form Reclamation Contract. With respect to the language of the form contract, we would suggest that paragraph 2 be modified to more accurately reflect the fact that the parties have already

\* Wayne please ask Jack to do a chronology  
on how long we've been working on this.  
Thy 10/3



NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan.
2. ~~Concurrent with the execution hereof,~~ <sup>Self Bonding and Indemnity Agreement dated January 25, 1990</sup> Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board, which surety is in the form of the ~~surety~~ attached hereto as Exhibit B and made a part hereof. The surety shall remain in full force and effect according to its terms, ~~unless modified by the Board in writing.~~ If the surety contract expressly provides for cancellation, then, not less than 30 days, prior to the expiration date of the surety, the Operator shall provide a replacement surety in a form and amount acceptable to the Board. If the Operator fails to so provide an acceptable replacement surety, the Division may order the Operator to cease further mining activities and to begin reclamation of the site. In addition, if the Operator fails to so provide an acceptable replacement surety, the Division may call or draw upon the full amount of existing surety prior to cancellation or expiration.
3. Operator <sup>operator's operations legally determined</sup> agrees to pay public liability and property damage claims resulting from mining, as determined by the Board or the Division, to the extent provided in the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, and the Reclamation Plan.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention and the Reclamation Plan.
6. Operator agrees to indemnify and hold harmless the State, Board and Division from any claim, demand, liability, cost charge, suit, or obligation of whatsoever nature arising from the failure to Operator or Operator's agents, and employees, or contractor to comply with this Contract.
7. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.



Minie file  
cc Wayne # JB  
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Mr. Lowell P. Braxton  
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Page 2

executed a Self Bonding and Indemnity Agreement dated January 25, 1990. With respect to paragraph 3, I think that the language should be adjusted to track more closely the applicable statutory provision which refers to payment of "legally determined" public liability and property damage claims. I have marked a copy of page 3 of the Form Contract with our suggested changes and would be happy to discuss them with you.

Very truly yours,



H. Michael Keller

HMK:bjm  
Enclosure

cc: Carsten Mortensen



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